

## Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 07171 01 OF 02 272139Z

64

ACTION ARA-20

INFO OCT-01 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03

RSC-01 PRS-01 SPC-03 SS-15 ACDA-19 IO-15 AID-20 PC-04

COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 INT-08 DRC-01 /186 W

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O 272100Z SEP 73

FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 7214

LIMITED OFFICIAL USE SECTION 1 OF 2 LIMA 7171

E.O. 11652: N/A

TAGS: BDIS, EMIN, EIND, PE

SUBJ: PRES. VELASCO'S PRESS STATEMENTS SEPT. 26 RE CERRO

REF: LIMA 7130, 7092

1. SUMMARY: ALTHOUGH HE CASTIGATED CERRO FOR ACTING IN BAD FAITH, PRES. VELASCO KEPT DOOR TO POSSIBLE RESUMPTION OF NEGOTIATIONS SLIGHTLY AJAR DURING DISCUSSION CERRO ISSUE, NOTING THAT CERRO HAD BROKEN OFF AND GOP WOULD NOT MAKE EFFORTS FOR THEM TO RETURN TO NEGOTIATING TABLE, PARTICULARLY WHEN QUESTIONS OF SOVEREIGNTY CONCERNED. BUT HE ALSO NOTED PERU WANTS NO DISPUTES WITH ANY COUNTRY, DISPUTES WHICH WASTE TIME AND DISTRACT GOP FROM ITS IMPORTANT TASKS. HE ADDED "BUT IF THERE IS NO AGREEMENT, WE WILL ACT IN REVOLUTIONARY MANNER." VELASCO WENT OUT OF WAY TO SEPARATE USG FROM CERRO ISSUE, STATING HE ALMOST CERTAIN USG NOT INVOLVED, AND THAT PROBLEM IS WITH CERRO CORP. NOT WITH USG. END SUMMARY.

2. FOLLOWING IS EMBASSY TRANSLATION OF OFFICIAL TRANSCRIPT OF PERTINENT SECTIONS OF FIVE QUESTIONS AND ANSWERS CONCERN-

LIMITED OFFICIAL USE

PAGE 02 LIMA 07171 01 OF 02 272139Z

ING CERRO DURING PRESS CONFERENCE.

Q. MR. PRESIDENT, WE WOULD LIKE TO KNOW IF YOU WOULD COMMENT TO US ABOUT THE PRESS STATEMENT RELEASED BY CERRO CORP.

A. AS YOU ALREADY ARE AWARE, REPRESENTATIVES OF THAT COMPANY WERE ALREADY TALKING WITH A TEAM DESIGNATED BY THE GOP AS REQUESTED BY CERRO ITSELF WHICH HAD OFFERED TO SELL ITS INSTALLATIONS AND EQUIPMENT TO THE COUNTRY. TODAY'S PAPERS EVEN PUBLISHED A COPY OF THE MINUTES OF THE ONLY PRELIMINARY MEETING WHICH HAD TAKEN PLACE PRIOR TO OPENING NEGOTIATIONS, A DOCUMENT WHICH HAD BEEN SIGNED BY BOTH PARTIES WITH ONE COPY GIVEN TO THE CERRO CORPORATION REPRESENTATIVE. BUT, WITHOUT WARNING, YESTERDAY A LIMA NEWSPAPER AND OTHERS IN NEW YORK PUBLISHED A SLANDEROUS ANNOUNCEMENT. THAT NEWSPAPER IN LIMA, I DON'T KNOW IF IT IS NORTH AMERICAN OR NOT, BUT IT WAS THE ONLY ONE TO PUBLISH IT. IT ALLOWED ITS PAGES TO BE USED BY A FOREIGN COMPANY TO SLANDER THE NATION. AND CERTAINLY, BETWEEN AN ANNOUNCEMENT IN "THE NEW YORK TIMES" AND "LA PRENSA," THERE IS NO SIMILARITY. THE ONE PUBLISHED HERE HAS BEEN POLISHED; THEY HAD REMOVED AND MODIFIED CERTAIN SENTENCES. THEY PERSONALLY ATTRIBUTED TO ME STATEMENTS I DIDN'T MAKE, BUT IT IS SLANDEROUS...WHAT I SAID HERE, IN RESPONSE TO QUESTIONS FROM YOUR JOURNALISTS WAS PUBLISHED IN ALL THE PAPERS. I DID NOT CLAIM THAT THE GOVERNMENT IS GOING TO USE FORCE. IN ADDITION, THEY ALSO INVENTED THE STORY THAT THE FOREIGN MINISTER MADE A STATEMENT CITING FIGURES. NEITHER DID HE SAY WHAT THEY HAVE HIM SAYING.

NOW, THE FULL AND CLEAR POSITION OF THE GOVERNMENT IS CONTAINED IN THE MINIMINES COMMUNIQUE.....READ IT, BECAUSE IT EXPLAINS IN DETAIL VARIOUS POINTS. I THINK THAT IT IS THE EXECUTIVES OF THIS COMPANY THAT ARE RESPONSIBLE FOR HAVING UNDERTAKEN THIS VENTURE. I AM ALMOST POSITIVE THAT THE USG HAS NOTHING TO DO WITH THIS ACTION, BECAUSE IT WOULD BE DELICATE IF THIS WERE THE CASE. (ESTOY CASI SEGURO QUE EL GOBIERNO DE LOS EE UU NO TIENE NADA QUE VER CON ESTA REACCION. SERIA DELICADO SI ESTO FUERA ASI.) THE (THE COMPANY) STATE THAT WE ARE ACTING IN BAD FAITH. I DO NOT KNOW WHO IS ACTING IN BAD FAITH: EITHER THEY WHO LIE, OR WE WHO CLEARLY TELL THE TRUTH.

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PAGE 03 LIMA 07171 01 OF 02 272139Z

Q. DOES THIS MEAN THAT THE ASSETS OF CERRO CORP. WILL BE EXPROPRIATED?

A. IT COULD BE. AND I SAY COULD BE BECAUSE WE WERE NEGOTIATING WITH THEM. THEY WITHDREW ABRUPTLY, AND, MOREOVER, ACCUSE US OF ACTING IN BAD FAITH. THAT IS THEIR RESPONSE. SO, ONE OF THE WAYS COULD BE THE ONE YOU HAVE JUST MENTIONED (I.E., EXPROPR-

RIATION).

Q. THE PUBLISHED DOCUMENTS REVEAL THAT TOMORROW IS THE DEADLINE THAT THE CERRO MANAGEMENT HAD SET TO GIVE AN ANSWER. SINCE THIS DEADLINE HAD NOT ARRIVED, DO YOU THINK IT A DISCOURTESY ON CERRO'S PART OR A LACK OF SERIOUS INTEREST IN THE NEGOTIATIONS?

A. THEY HAVE BROKEN OFF DISCUSSIONS. WE HAVE NO INTEREST IN DRAGGING THEM BACK TO NEGOTIATE. IF THEY DON'T WANT TO NEGOTIATE, WHAT ARE WE GOING TO DO? THE GOP WILL CONTINUE CARRYING OUT ITS REFORMS AND ACTING FAIRLY AS ALWAYS. WE WILL REACH OUR OBJECTIVES. NO MORE, NO LESS. WE DO NOT DESIRE DISPUTES WITH ANY COUNTRY. ON THE CONTRARY, WE SEEK PEACE AND TRANQUILITY IN ORDER TO CONINUE OUR TASK OF WORKING FOR THE GOOD OF THE MAJORITY. THESE QUESTIONS WASTE TIME AND DISTRACT US FROM IMPORTANT MATTERS. BUT IF THERE IS NO AGREEMENT, WE WILL ACT IN A REVOLUTIONARY FASHION BECAUSE WE ARE A REVOLUTIONARY GOVERNMENT. WE HAVE NOT NOR WILL WE COMPROMISE WITH QUESTIONS OF NATIONAL SOVEREIGNTY.

Q. DO YOU THINK THERE IS A CHANCE OF RESUMING NEGOTIATIONS?

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PAGE 01 LIMA 07171 02 OF 02 272141Z

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LIMITED OFFICIAL USE SECTION 2 OF 2 LIMA 7171

A. OUR POSITION IS CLEAR. YOU MAY BE SURE THAT THE GOP WILL REACT FIRMLY AND WILL RESPECT THE SOVEREIGNTY AND DIGNITY OF PERU. PERUVIAN RIGHTS ARE EXCLUSIVELY PERU'S. AND NO COUNTRY, NO MATTER HOW POWERFUL IT MAY BE, CAN INTERFERE WITH THESE RIGHTS. THIS HAS NOT BEEN PERMITTED BY THE GOP, NOR WILL IT BE PERMITTED.

Q. MR. PRESIDENT, WITH RESPECT TO THIS QUESTION OF CERRO, IS THE GOP GOING TO SEND A NOTE TO THE USG?

A. THE PROBLEM IS FUNDAMENTALLY WITH THE CERRO CORP.; IT IS NOT WITH THE USG. IT IS BETWEEN PERU AND A PRIVATE COMPANY OF THAT COUNTRY, WHICH MAY OR MAY NOT BE HONEST. IN THE IPC CASE, THE PROBLEM WAS WITH A CANADIAN COMPANY AND NOT WITH THE GOVERNMENT.  
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